

**MOSCOWITZ
&
MOSCOWITZ, P.A.**

Mellon Financial Center
1111 Brickell Avenue
FEC MAIL CENTER
Miami, Florida 33131
Telephone (305) 379-8300
Facsimile (305) 379-4404

2007 APR -2 PM 2:06

March 27, 2007

Via Facsimile & U.S. Mail

Jeff S. Jordan
Supervisory Attorney
Complaints Examinations & Legal Administration
Federal Election Commission
Washington, D C 20463

RE: MUR 5903

Dear Mr. Jordan

We represent William Scott DeLoach. This letter responds to your letter of March 7, 2007, which was received in my office on March 13, 2007. It is our position that no action should be taken against Mr. DeLoach in this matter for the reasons set forth herein. The matters set forth are all substantiated by the Court file in the criminal case in this matter, United States v DeLoach, Case No. 06-20583-CR-KING.

Mr. DeLoach was charged with conspiracy to commit mail fraud in violation of 18 U.S.C. § 1349 resulting from an embezzlement of funds from his employer PBSJ, Inc. (the "Company") and with unlawful reimbursement of federal campaign contributions, in violation of 2 U.S.C. § 441f and 437g(d). Mr. DeLoach pleaded guilty to those offenses on September 28, 2006 and will be sentenced on June 26, 2007. If the Court sentences Mr. DeLoach pursuant to the plea agreement, he will be sentenced to a substantial term of incarceration, 97-121 months. Thus, Mr. DeLoach has already pleaded to a criminal charge arising from the same facts set forth in the FEC complaint, which was filed by one of his co-defendants in the criminal case. Moreover, Mr. DeLoach has fully accepted responsibility for his offenses, expressed his remorse, and paid, conservatively, over \$14 million in restitution. He has given in restitution basically every asset that he owned, separately and jointly with his wife. Thus, the sanctions he has received and will receive are more than sufficient to vindicate the mission of the Federal Election Commission.

This is a unique case. It is unique in the quality and quantity of responsibility accepted, remorse manifested and restitution paid by Mr. DeLoach. Since this matter began, he has sought in every way possible to make amends. He has spent over 840 hours cooperating with representatives of the Company, and with the Government to reconstruct the embezzlements and is cooperating with the United States Attorneys Office and the FBI in their investigation into the Company's campaign contributions. Most significantly, he has turned over every asset he owned.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 2
2007 MAR 28 P 5:00

29044253627

Jeff S. Jordan
March 27, 2007

to the company, including retirement funds, homesteaded property and joint assets. The assets he has provided to PBSJ were conservatively valued by the Company at over 14 million dollars.

On September 28, 2006, Mr. DeLoach pleaded guilty to an Information charging him with conspiracy to commit mail fraud, in violation of 18 U.S.C. § 1349, and unlawful reimbursement for federal campaign contributions, in violation of 2 U.S.C. § 441f and 437g(d). The Government and Mr. DeLoach agreed to jointly recommend to the Court that the sentence be within the advisory guideline range, and the Government has agreed to recommend to the Court that Mr. DeLoach be sentenced at the low end of the guideline range, which the parties calculated to be 97-121 months. The PreSentence Investigation Report also sets the advisory guideline range of 97-121 months. Thus, it seems clear that Mr. DeLoach will be sentenced to a term of incarceration of more than eight years. The sentencing hearing is scheduled for June 26, 2007.

It is important in this case to focus on what Mr. DeLoach did when the offense was discovered. On or about March 24, 2005, Mr. DeLoach became aware that PBSJ's Internal Auditor and its Audit Committee had come upon indications that the company had been the victim of embezzlement. Mr. DeLoach decided immediately that he wanted to confront the situation directly and to assist the company.

By the next week, on March 31, 2005, Mr. DeLoach went to PBSJ in person to apologize and to seek to make amends. He attended a joint meeting of the Board, the Audit Committee and attorneys and accountants engaged to investigate the embezzlements. At that meeting, Mr. DeLoach forthrightly explained what he had done to those present and pledged to assist in every way he could to unravel the events of the past and to return property to the company. He promised that day to sign over to the company his PBSJ stock, which was worth over \$4,705,047, and his \$817,169 company 401(k) fund, an asset that the company could not otherwise reach and which was comprised of solely legitimately earned funds. He also reached out that day to his co-defendants to encourage them to cooperate with the company and to return assets as he was doing. He gave counsel his passport to show the Company that he intended to remain available.

During the next several weeks, Mr. DeLoach met on almost a daily basis with auditors and investigators for PBSJ. Although Mr. DeLoach well knew that his sentence would be more severe if the losses to PBSJ were greater, he explained to the accountants and showed them records to account for the entire sum of the losses, amounts they might never have uncovered without his assistance. He also assisted the company to understand how its internal controls had failed to detect the embezzlements, so that those controls could be improved.

Mr. DeLoach met with company representatives on numerous occasions and had numerous other telephone calls to assist in the reconstruction of company records. He made himself available any time they wanted to meet with or talk to them and answered all their

Jeff S Jordan
March 27, 2007

questions truthfully. Indeed, company attorneys and investigators were calling for assistance as recently as December 1, 2006. Mr. DeLoach freely supplied his personal financial records to the company. He made numerous calls to his co-defendants to encourage them to do the same. He cooperated with the Company when it sought to collect on insurance in this matter.

At the same time, he began to document his personal assets, preparing three large binders cataloging the assets with pictures, descriptions, valuations and original receipts. He turned those assets over to PBSJ and continued to assist in their liquidation, meeting with prospective buyers, appraisers and PBSJ representatives and signing all documents necessary to aid in the sale of those assets. The Company acknowledges that the assets returned by Mr. DeLoach are worth over \$14 million.

Perhaps more significant than the amount of the assets assigned to the company is the fact that these assets comprised essentially everything that Mr. DeLoach and his family owned. The only assets that the DeLoach family retained were an apartment that Dani DeLoach had bought for \$280,000 a few years before this with funds that did not come from PBSJ and which were always in her name, one automobile, and a small amount of funds in the children's names that came from sources other than PBSJ. Many of the assets freely given up were in joint name or even solely in Mrs. DeLoach's or the children's names. The substantial real estate holdings that were signed over to PBSJ were all in joint name, as were other substantial assets. Mr. DeLoach also gave up certificates of deposit that were in Mrs. DeLoach's name, others were in the names of the children. The Company might not have ever gotten hold of these assets or there could have been complicated litigation to obtain them. Mr. DeLoach simply turned the assets over.

Finally, it should be noted that Mr. DeLoach paid this extraordinary restitution before there was any criminal investigation into his conduct.

In addition to the return of assets, Mr. DeLoach also cooperated in the Government's litigation against him. He settled with the SEC without requiring any litigation of their case against him.

Mr. DeLoach also initiated contact with the United States Attorney's Office in this case. He met with prosecutors and detailed his offenses, without immunity, before any agreement was reached. Since the United States Attorney's Office initiated an investigation into certain PBSJ campaign contribution reimbursements, he has cooperated fully with that investigation. He also met with the prosecutor from the Department of Justice who was looking into PBSJ government contracting issues.

In June of 2005, Mr. DeLoach surrendered his CPA license voluntarily and before any contact by the licensing agency.

Jeff S Jordan
March 27, 2007

29044253630

29044253631

Please let me know if you need any further information

Yours very truly,

Jane W Moscovitz

JWM rb



FEDERAL ELECTION COMMISSION
999 E Street, NW
Washington, DC 20463

RECEIVED
FEC MAIL CENTER
2007 APR -2 PM 2:06

2007 MAR 33 P 5:00

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL
Please use one form for each Respondent/Client
FAX (202) 219-3923

MUR # 5903

NAME OF COUNSEL: Jane W. Maschwitz

FIRM: Maschwitz & Maschwitz

ADDRESS: 111 Brickell Ave., Ste. 2050

Miami, FL 33131

TELEPHONE- OFFICE (305) 379-8300

FAX (305) 379-4404

The above-named individual and/or firm is hereby designated as my
counsel and is authorized to receive any notifications and other communications
from the Commission and to act on my behalf before the Commission.

3-27-07 William S. DeLoach
Date Respondent/ Client Signature Title

RESPONDENT/CLIENT William S. DeLoach
(Please Print)

MAILING
ADDRESS: _____

Aventura, FL 33160

TELEPHONE- HOME _____

BUSINESS (305) 216-5725

Information is being sought as part of an investigation being conducted by the Federal Election
Commission and the confidentiality provisions of 2 U S C § 437g(a)(12)(A) apply. This section
prohibits making public any investigation conducted by the Federal Election Commission without
the express written consent of the person under investigation.